

June 3rd, 2016



**BUILDING
OWNERS AND
MANAGERS
ASSOCIATION**
British Columbia

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Honourable Rich Coleman
Deputy Premier, Minister of Natural Gas Development
And Minister Responsible for Housing
Government of British Columbia

By email to: MNGH.minister@gov.bc.ca

Re: Climate Leadership Plan Submission

Dear Minister Coleman,

This letter is in follow-up to the Building Owners and Managers Association of British Columbia (BOMA BC)'s original submission on April 8th 2016 for the Climate Leadership Action Plan consultation and includes additional documentation.

BOMA BC represents the interests of the commercial real estate industry. Our members own and/or manage the majority of British Columbia's commercial real estate space including office, retail and light industrial. Incorporated since 1911, BOMA speaks on behalf of an industry consisting of over 300 million square feet of floor space that supports our working public.

BOMA supports the Province's carbon reduction objectives and targets. With federal, provincial and utility support for reducing carbon emissions in the built environment reportedly focused on public sector buildings, we feel it is also critical to support the Class B and C private sector buildings that provide the working space for small to medium sized businesses. Our older building stock is typically lower performing buildings whose owners or managers are more resource constrained and have generally had to cope without access to utility incentives.

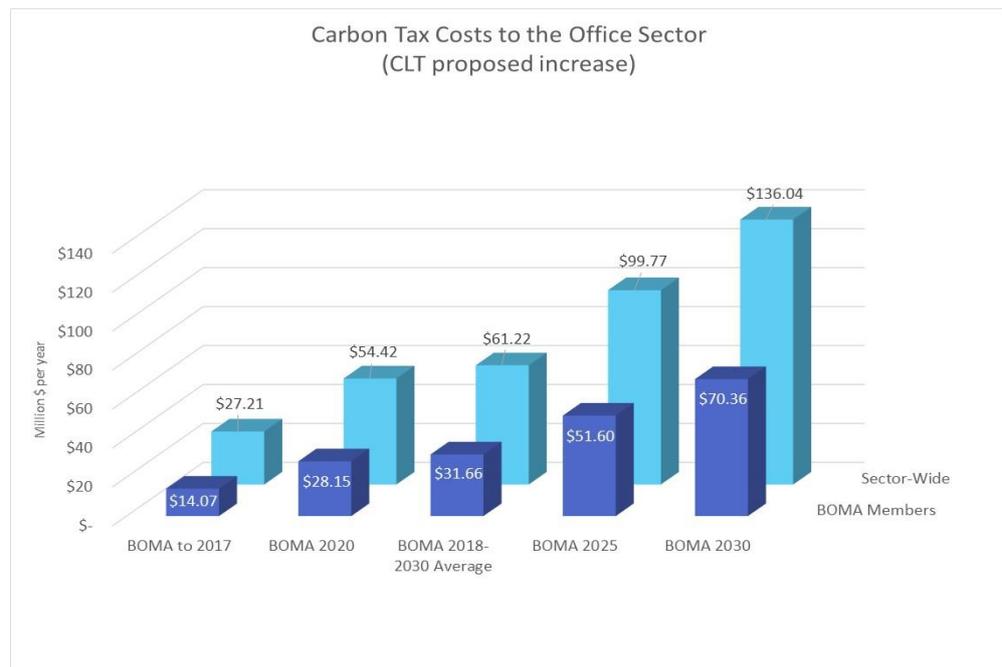
BOMA is prepared to work closely with the Province to reach and motivate this segment of the industry who will especially feel the effects of a carbon tax increase. As the government discusses a possible carbon tax increase, BOMA is recommending a portion of the tax come back to the built environment to incentivise their energy and carbon reduction transformation process.

In 2006, BOMA BC created an emissions management program, in partnership with the Province of BC, which has since been adopted by BOMA Canada as the BOMA BEST® building sustainability certification program. About 5,000 buildings have been certified under BOMA BEST® in Canada and, on average, their emissions are 30% lower than the non-certified building stock, as reported by NRCan for 2013.

BOMA, with its experience delivering effective energy conservation and clean energy infrastructure programs and its ongoing education and market transformation initiatives, is in a strong position to help this sector of the industry consistent with the Province's carbon reduction objectives.

The Climate Leadership Team (CLT) recommendations include a proposed increase in the carbon tax in 2018 by \$10 per year. Further, they have recommended maintaining certain tax reductions, target tax credits and other mechanisms to emissions-intensive, trade exposed and vulnerable groups.

BOMA BC has estimated that such a carbon tax increase, from \$30/tonne in 2016 to \$40/tonne in 2018 and \$150/tonne in 2030, would increase payments from the commercial buildings sector from approximately \$80 million to \$410 million per year during that period. For BOMA member buildings alone, costs would increase from an estimated \$18 million to \$90 million per year between 2017 and 2030. The chart below illustrates the changes in carbon tax payments for one segment of the commercial sector – office buildings.



While the CLT recommendation of lowering the PST may offset some of the carbon tax increases to our sector, we recommend the establishment of an additional climate action program to target the emissions-intensive and vulnerable older Class B and Class C commercial building stock.

Class B and C buildings are located in both small towns and large cities across BC, offering affordable real estate space for small businesses, community organizations and emerging businesses in our economy. These small business tenants are price sensitive and challenged to meet rental costs from growing property, school and carbon taxes typically included in lease agreements.

We propose a program that would incentivize energy and carbon reduction initiatives for this targeted sector utilizing, for example, our BOMA BEST® platform to ensure measurable and verified results.

BOMA BC is well-positioned to help design, implement and promote a comprehensive and effective program to our established and engaged membership and to the entire commercial buildings industry.

BOMA would be pleased to meet with you to discuss this matter further and go over our ideas on how we can bring the business community and the Provincial Government together to achieve the ambitious targets set out in the Province's Climate Leadership Action Plan.

Thank you for your consideration and for your continued support of the commercial real estate industry in British Columbia.

Sincerely,

A handwritten signature in dark ink, appearing to read 'P. LaBranche', with a large, stylized flourish at the end.

Paul LaBranche

President
Building Owners and Managers Association of British Columbia

cc: Hon. Mary Polak – Minister of Environment
Hon. Bill Bennett – Minister of Energy and Mines and Minister Responsible for Core Review
Hon. Shirley Bond – Minister of Jobs, Tourism and Skills Training and Minister Responsible for Labour
Hon. Coralee Oakes – Minister of Small Business and Red Tape Reduction
Hon. Michael de Jong – Minister of Finance and Government House Leader
Hon. Amrik Virk – Minister of Technology, Innovation and Citizens' Services
Board of Directors – Building Owners and Managers Association of BC